

State of South Dakota

EIGHTIETH SESSION LEGISLATIVE ASSEMBLY, 2005

735L0537

HOUSE ENGROSSED NO. **HB 1210** - 02/14/2005

Introduced by: Representatives Davis, Brunner, Dykstra, Hargens, Jensen, Novstrup, and Weems and Senators Hansen (Tom), Duenwald, Hundstad, Lintz, McNenny, Peterson (Jim), and Schoenbeck

1 FOR AN ACT ENTITLED, An Act to exempt certain contract services from sales and use
2 taxes.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That chapter 10-45 be amended by adding thereto a NEW SECTION to read as
5 follows:

6 There are specifically exempted from the provisions of this chapter and from the
7 computation of the tax imposed by it, gross receipts from management, specialist, billing,
8 bookkeeping, administrative, and related services provided to a local cooperative by a regional
9 cooperative, or any cooperative or limited liability company which is wholly or in part owned
10 by the cooperative or limited liability company receiving such services. If such cooperative or
11 limited liability company is owned in part, the cooperative or any combination of cooperatives
12 shall own fifty percent or more of such cooperative or limited liability company receiving such
13 services to be qualified for the exemption provided by this section.

14 Section 2. That chapter 10-46 be amended by adding thereto a NEW SECTION to read as
15 follows:



1 There are specifically exempted from the provisions of this chapter and from the
2 computation of the tax imposed by it, gross receipts from management, specialist, billing,
3 bookkeeping, administrative, and related services provided to a local cooperative by a regional
4 cooperative, or any cooperative or limited liability company which is wholly or in part owned
5 by the cooperative or limited liability company receiving such services. If such cooperative or
6 limited liability company is owned in part, the cooperative or any combination of cooperatives
7 shall own fifty percent or more of such cooperative or limited liability company receiving such
8 services to be qualified for the exemption provided by this section.